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SUBJECT: Down on the Farm? Migrants Unlikely to Remain in Villages
Following Chinese New Year

¶1. (U) Summary: Once you've seen the bright lights of the big city, it's hard to go back to the farm. Local labor NGO leaders predict that the large numbers of migrant workers who lost their jobs and returned to their home villages early for the late-January 2009 Chinese New Year holiday will most likely come back to seek jobs after the holiday. Local governments in the Pearl River Delta (PRD) have done a relatively good job ensuring that most migrant workers received their wages due before their holiday travel, though not without some exceptions. Reduced opportunities for overtime work may affect year-end remittances and may influence their assessment of job prospects after the holiday. Most migrant workers will likely return to coastal manufacturing centers in part because shrinking job opportunities there still exceed those available in the countryside. Several of our contacts predict that many workers will take a wait-and-see approach, keeping an eye on any changes in the economy and waiting until the end of the Chinese New Year holidays before deciding what to do and where to go for employment. (Septel will report on similar issues based on conversations directly with PRD migrant workers.) End summary.

Labor NGOs Confirm Earlier Exodus than Usual

¶2. (U) Large numbers of migrant workers began leaving their factory jobs in the Pearl River Delta (PRD) as early as October 2008 to return to their home villages for the late-January 2009 Chinese New Year, according to six representatives and directors of labor NGOs operating in the PRD. Our contacts cited jobs lost after factories closed or were forced to cut staff -- with workers at export-oriented enterprises taking the heaviest blow -- as the main reason for the early travel. (Comment: Memories of the snowbound 2008 Chinese New Year transportation difficulties encouraged even those workers who still have jobs to return early. After the holiday, the specter of fewer jobs and increased competition for available positions could cause workers to return to work earlier than usual as they seek to be first in line to be hired -- or rehired -- by economically squeezed factories. End comment.)

On the Whole, Wages Being Paid

¶3. (U) Most workers received their basic wages due, and local government scored relatively high marks for enforcing wage payments, according to labor NGO reps in Guangzhou and Shenzhen. Two of our Shenzhen-based contacts noted that even workers at bankrupt companies received compensation through the Shenzhen Government's Wage Guarantee Fund, and all six of our contacts said that local governments in the PRD were paying close attention to the wage payment issue, "for fear that it might trigger social unrest,"

according to one. A Guangzhou-based NGO director said that the labor bureau in his city had been quick to act to resolve worker complaints over wages. One contact complained that although most workers had received their wages, the wages themselves sometimes remained illegally low. In addition, wage problems are far from over; one PRD telephone hotline providing advice to migrant laborers still receives six to seven calls each day from workers complaining of underpayment or nonpayment of wages.

14. (U) Part of the calculus for workers determining whether to return to their factory jobs will be the availability of overtime work. Several of our labor NGO contacts note that base pay makes up only a small part of worker earnings, with the bulk coming from overtime hours. Shrinking export demand has forced many factories to cut back overtime hours, said one contact who predicted that normally sizable year-end remittances to the countryside would be reduced this year as a result.

It's Hard to Go (and Stay) Home Again

15. (U) Migrant workers have adapted to urban life and do not desire a return to farming or village life, our contacts all agreed. Some workers would choose to remain in their village, said one contact, especially if they were of an entrepreneurial bent and could take advantage of subsidies offered by some local governments for migrants to open new businesses. Most workers, though, seemed to think that, even though employment opportunities in the PRD or the Yangze River Delta (YRD) were grim, they still far outnumbered those available in the countryside.

16. (U) The director of one Shenzhen-based labor NGO related to us

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how, at the time of leaving Shenzhen, many workers said they would stay in their home villages and not return. Recent communications with these workers and their friends, however, have suggested that around 70 percent of these workers now plan to return to Shenzhen after the Chinese New Year simply because they can find no suitable jobs at home.

17. (U) Another Shenzhen-based labor NGO director predicted that 90 percent of Shenzhen's migrant workers would return to manufacturing cities in the PRD and YRD -- though not necessarily to Shenzhen -- for employment after the Chinese New Year due to lack of manufacturing and service industry jobs in the villages. The NGO director said that the current generation of migrant workers have no experience farming and in any case prefer city life to a rural existence.

Wait and See

18. (U) Regardless of where migrants go to find work, competition for jobs will be fierce. Several of our contacts noted that the Chinese New Year tradition of returning to one's hometown provides an opportunity for migrants to share information about job prospects in different regions of the county. Workers who do not feel anchored to a particular city or company will likely make a decision about where to go for work based on word-of-mouth from their fellow villagers, say our contacts. Several of our contacts predicted that many workers would take a wait-and-see approach, keeping an eye on any changes in the economy and waiting until the end of the Chinese New Year holidays before deciding what to do and where to go for employment.

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